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**Scale of assessments for the apportionment of the expenses of the United Nations**

## Letter dated 27 December 2001 from the Secretary-General addressed to the President of the General Assembly

I have the honour to refer to General Assembly resolution 55/12 of 1 November 2000, in which the Assembly decided to admit the Federal Republic of Yugoslavia to membership in the United Nations.

This decision necessarily and automatically terminated the membership in the Organization of the former Yugoslavia, the State admitted to membership in 1945. At the time of this decision, the former Yugoslavia still had outstanding assessed contributions and these are reflected in the accounts of the United Nations.

As the former Yugoslavia has ceased to exist, it is not possible to look to it for payment of these arrears. It will therefore be necessary for a decision to be taken with regard to the treatment of the arrears of the former Yugoslavia.

I should like to draw this question to the attention of the General Assembly in the context of its consideration of item 125 (Scale of assessments for the apportionment of the expenses of the United Nations) of the agenda of its fifty-sixth session. The relevant information is provided in the attached note, which has been prepared by the Secretariat (see annex).

Kofi A. **Annan**

02-20652 (E) 160102

## Annex

### Unpaid assessed contributions of the former Yugoslavia

## I. Introduction

1. During 1991-1992, the Socialist Federal Republic of Yugoslavia, which was admitted to membership in the United Nations in 1945, underwent a process of dissolution and five successor States came into existence.

2. In its resolution 777 (1992) of 19 September 1992, the Security Council indicated that it considered that the Federal Republic of Yugoslavia (Serbia and Montenegro) could not continue automatically the membership of the former Socialist Federal Republic of Yugoslavia in the United Nations. It therefore recommended to the General Assembly that it decide that the Federal Republic of Yugoslavia (Serbia and Montenegro) should apply for membership in the United Nations and that it should not participate in the work of the General Assembly.

3. In its resolution 47/1 of 22 September 1992, the General Assembly similarly indicated that it considered that the Federal Republic of Yugoslavia (Serbia and Montenegro) could not continue automatically the membership of the former Socialist Federal Republic of Yugoslavia in the United Nations. It therefore decided that the Federal Republic of Yugoslavia (Serbia and Montenegro) should apply for membership in the United Nations and that it should not participate in the work of the General Assembly.

4. In its resolution 821 (1993) of 28 April 1993, the Secu. ty Council, inter alia, recommended to the General Assembly that it decide that the Federal Republic of Yugoslavia (Serbia and Montenegro) should not participate in the work of the Economic and Social Council. In its resolution 47/229 of 29 April 1993, the General Assembly, inter alia, decided that the Federal Republic of Yugoslavia (Serbia and Montenegro) should not participate in the work of the Economic and Social Council.

5. The General Assembly did not, however, take any action to terminate the membership of the former Yugoslavia in the United Nations. On the contrary, it included the former Yugoslavia in the scales of assessments that it adopted for the periods 1995-1997 and 1998-2000, based on national income/gross national product data for Serbia and Montenegro. As successor States to the former Yugoslavia were admitted to the United Nations during the scale period 1992-1994, their initial rates of assessment were deducted from the rate of assessment initially assigned to the former Yugoslavia in 1992-1994. Their assessments in their respective years of admission were deducted from the assessments of the former Yugoslavia in those years.

6. From 27 April 1992, when the Federal Republic of Yugoslavia came into existence, until 27 October 2000, when its President submitted to the Secretary-General an application for the admission of the Federal Republic of Yugoslavia to membership in the United Nations, the Government of the Federal Republic of Yugoslavia claimed that it constituted the Government of the Member State that was the former Yugoslavia. This claim was advanced on the explicit basis that the State that was formerly known as the Socialist Federal Republic of Yugoslavia continued to exist, that that State therefore continued to be a Member of the United Nations, that the Federal Republic of Yugoslavia continued the personality under

international law of the Socialist Federal Republic of Yugoslavia, that the Federal Republic of Yugoslavia was therefore a State Member of the United Nations and that the Federal Republic was, in consequence, the same person of international law, and so the same Member State, as the former Yugoslavia.

7. In furtherance of its claim, the Government of the Federal Republic of Yugoslavia performed a large number of acts in the name of the former Yugoslavia in the period from 27 April 1992 to 27 October 2000. These included having officials of the Government of the Federal Republic of Yugoslavia represent the former Yugoslavia in the General Assembly and subsidiary organs, prior to the adoption of Assembly resolution 47/1, and in the Economic and Social Council and its subsidiary bodies, prior to the adoption of Assembly resolution 47/229. In addition, on a number of occasions, the last being on 23 June 2000, officials of the Government of the Federal Republic of Yugoslavia requested that they be invited to participate, as representatives of the former Yugoslavia, in meetings of the Security Council. From 27 April 1992 to 1 November 2000, the Government of the Federal Republic of Yugoslavia availed itself of the right of the former Yugoslavia, as a Member State, to establish and maintain missions to the United Nations at its Headquarters and Offices. It also availed itself of the right of the former Yugoslavia, as a Member State, to circulate communications as official documents of the United Nations.

8. In its resolution 55/12 of 1 November 2000, the General Assembly decided to admit the Federal Republic of Yugoslavia to membership in the United Nations. That decision necessarily and automatically terminated the membership of the former Yugoslavia in the United Nations. At that time, the former Yugoslavia had outstanding assessed contributions that had become due and payable both before and after the dissolution of the Socialist Federal Republic of Yugoslavia.

9. It should be emphasized that this note deals with the amounts outstanding in respect of assessed contributions of the former Yugoslavia. It does not deal with any amounts owed by the Federal Republic of Yugoslavia in respect of expenditures incurred by the United Nations Peace Forces for items that should have been provided without cost under the status of forces agreement. In paragraph 10 of its resolution 51/12 of 4 November 1996, the General Assembly urged the Secretary-General to convey its concerns to the Governments concerned as well as its request that the Governments reimburse the combined Forces for those expenditures. The Assembly also requested the Secretary-General to withhold settlement of claims submitted by the Governments concerned until the matter of the expenditures was resolved. Full details of amounts owed were provided in section III of the report of the Secretary-General of 17 March 2000 (A/54/803). All amounts owed by Croatia, the Federal Republic of Yugoslavia, Bosnia and Herzegovina and the former Yugoslav Republic of Macedonia remain outstanding.

## II. Arrears of the former Yugoslavia

10. On 1 November 2000, when it ceased to be a Member State, the former Yugoslavia had outstanding assessed contributions totalling $16,226,613, a credit of $1,846 in the special account for the United Nations Transition Assistance Group and an advance of $26,000 to the Working Capital Fund for 2000-2001. No further assessments have been issued for the former Yugoslavia since 1 November 2000. On

14 June 2001, the General Assembly authorized the allocation of credits in respect of the unencumbered balances of peacekeeping accounts for prior periods, for which assessments had been issued for the former Yugoslavia. Its share of these credits totalled a net $8,058. Application of this amount brought to $16,218,555 the total amount of outstanding assessed contributions for the former Yugoslavia. The details of these amounts are shown in the table in appendix I.

11. As the former Yugoslavia also ceased to exist on 1 November 2000, it is clearly not possible to look to that State for settlement of its outstanding assessed contributions.

12. In identifying where responsibility lies for payment of those outstanding contributions and in what amounts, it is necessary to make a distinction between, on the one hand, the debts that were outstanding to the charge of the former Yugoslavia at the date of the dissolution of the Socialist Federal Republic of Yugoslavia and, on the other hand, the debts that were outstanding to the charge of the former Yugoslavia on the date that it ceased to be a Member of the United Nations, on 1 November 2000.

13. In accordance with the rules of general international law regarding the succession of States in respect of State debts, the United Nations may decide to look to the five successor States of the Socialist Federal Republic of Yugoslavia for payment of that part of the debts of the former Yugoslavia that accrued to its charge prior to the dissolution of the Socialist Federal Republic of Yugoslavia.

14. As regards that part of the arrears of the former Yugoslavia that accrued to its charge subsequent to the dissolution of the Socialist Federal Republic of Yugoslavia, those debts have not passed to the charge of any other State by operation of the rules of general international law regarding the succession of States in respect of State debts, no succession of States having taken place between the former Yugoslavia and any other State when the former Yugoslavia ceased to exist on 1 November 2000. As noted above, however, the previous Government of the Federal Republic of Yugoslavia repeatedly claimed to represent the former Yugoslavia. Indeed, that Government claimed that the Federal Republic of Yugoslavia was the same person of international law, and so the same Member State, as the former Yugoslavia. On that basis, the Federal Republic of Yugoslavia may now be considered to be estopped from denying responsibility for the liabilities of the former Yugoslavia arising after the dissolution of the Socialist Federal Republic of Yugoslavia but before the former Yugoslavia ceased to be a Member of the United Nations on 1 November 2000. On that basis, the United Nations might seek payment from the Federal Republic of Yugoslavia of assessments that became due from and payable by the former Yugoslavia after the final dissolution of the Socialist Federal Republic of Yugoslavia and that remained unpaid as of 1 November 2000.

15. Should the General Assembly decide to seek payment from the five successor States of the former Yugoslavia of that part of the arrears of the former Yugoslavia that accrued to its charge prior to the dissolution of the Socialist Federal Republic of Yugoslavia, it is the Secretariat's understanding that the distribution of assets and liabilities of the Socialist Federal Republic of Yugoslavia would be based in part on each State's date of succession to the former Yugoslavia — that is, the dates on which the successions of States took place between the Socialist Federal Republic of Yugoslavia and each of its successor States — and in part on the relative shares of the successor States — that is, the relative proportions of the debt of the former

Yugoslavia that it is considered should equitably pass to each of the successor States of the Socialist Federal Republic of Yugoslavia.

16. In that event, as the dissolution of the Socialist Federal Republic of Yugoslavia did not take place all at one instant, but, rather, was a process of gradual disintegration that took place over a period of time, the Secretariat anticipates that the dates of succession of the five successor States used for the purpose of allocation of arrears would be different. Each successor State would presumably be responsible for its relative share — its equitable proportion — of the former Yugoslavia's unpaid assessed contributions that were due and payable on the date of its succession to the Socialist Federal Republic of Yugoslavia. The balance would remain the responsibility of the former Yugoslavia and would then fall to be apportioned between it and the next successor State to have succeeded to the Socialist Federal Republic of Yugoslavia, together with subsequent assessments and credits that became due and payable by the date of its succession. Were this approach to be taken, some accounting adjustments would be necessary as payments and credits in respect of the former Yugoslavia have been applied to the oldest outstanding arrears in each case, in accordance with financial regulation 5.6.

## III. Dates of succession to the Socialist Federal Republic of Yugoslavia

17. According to the rules of general international law concerning the succession of States, the proportion of the debt of a predecessor State that passes to a successor State is an equitable proportion of that debt that existed to the charge of the predecessor State at the date on which the succession of States between the predecessor State and the successor State took place. The dates of successions of the five successor States are therefore an important factor for the General Assembly to take into account if it chooses to consider making any claims on the successor States in this regard. In the case in hand, the dates on which the successions of States took place between the Socialist Federal Republic of Yugoslavia and each of its successor States are the dates on which those successor States came into existence. At present, there is no decision by a competent political organ of the United Nations on these dates.[1] If the General Assembly were to seek the advice of the Secretariat with regard to possible claims on the five successor States, therefore, it would need to provide guidance to the Secretariat on the dates of succession that should be used for each of the five successor States to the Socialist Federal Republic of Yugoslavia.

18. In this connection, in its Opinion No. 11 of 16 July 1993, the Arbitration Commission of the International Conference on the Former Yugoslavia advised the Co-Chairmen of the Steering Committee of the International Conference that it was of the view that the dates on which the successor States of the Socialist Federal Republic of Yugoslavia came into existence were as follows:

| | |
|---|---|
| Croatia | 8 October 1991 |
| Slovenia | 8 October 1991 |
| The former Yugoslav Republic of Macedonia | 17 November 1991 |
| Bosnia and Herzegovina | 6 March 1992 |
| Federal Republic of Yugoslavia | 27 April 1992 |

This opinion is not binding on the United Nations, however, and it should be noted that the successor States themselves have advised the Secretary-General, in his

capacity as depositary of multilateral treaties, of their respective dates of succession as follows:

| | |
|---|---|
| Slovenia | 25 June 1991 |
| The former Yugoslav Republic of Macedonia | 17 September 1991 |
| Croatia | 8 October 1991 |
| Bosnia and Herzegovina | 6 March 1992 |
| Federal Republic of Yugoslavia | 27 April 1992 |

## IV. Relative shares of the successor States

19. As regards that part of the arrears of the former Yugoslavia that accrued to its charge prior to the dissolution of the Socialist Federal Republic of Yugoslavia, another factor for the General Assembly to take into account, if it chooses to make any claims on the successor States of the Socialist Federal Republic of Yugoslavia in respect of those debts, is the relative shares that should be applied for the five successor States — that is, the fixing of the equitable proportion of those debts of the former Yugoslavia that passes to each.

20. In this connection, it may be recalled that Bosnia and Herzegovina, Croatia, Slovenia and the former Yugoslav Republic of Macedonia were admitted to membership in the United Nations during the period of the scale of assessments for 1992-1994. Upon the recommendation of the Committee on Contributions, the General Assembly decided that the assessment rates fixed for the new Member States should be deducted from the rate of assessment earlier established for the former Yugoslavia (0.42 per cent); it also decided that the assessments for these Member States in the year of their admission should be deducted from the assessments of the former Yugoslavia.[2] The assessment rates fixed for the four successor States during the relevant parts of the scale period were:

| | *Assessment rates (percentage of scale)* | *Percentage* |
|---|---|---|
| Bosnia and Herzegovina | 0.04 | 9.5 |
| Croatia | 0.13 | 31.0 |
| Slovenia | 0.09 | 21.4 |
| The former Yugoslav Republic of Macedonia | 0.02 | 4.8 |

The residual amount of 0.14 per cent of the scale (33.3 per cent of total) remained with the former Yugoslavia.

21. The General Assembly may also wish to note that, in an agreement on succession issues signed by the five successor States on 29 June 2001 (which is yet to enter into force), the following proportions were fixed for the five States in respect of the external debts of the Socialist Federal Republic of Yugoslavia (with the exception of those debts for which specific provision is made in or under that agreement):

| | Percentage |
|---|---|
| Bosnia and Herzegovina | 15.5 |
| Croatia | 23.0 |
| Slovenia | 16.0 |
| The former Yugoslav Republic of Macedonia | 7.5 |
| The Federal Republic of Yugoslavia | 38.0 |

## V. Views of the successor States

22. In order to assist the General Assembly in considering this matter, the Secretariat requested the Permanent Representatives of the five successor States of the Socialist Federal Republic of Yugoslavia to indicate the views of their Governments on this matter. In a joint reply, dated 7 September 2001, the five Permanent Representatives indicated their common view that the remaining arrears of the former Yugoslavia should be written off. The text of their letter is attached in appendix II. A further joint reply, dated 19 November 2001, reiterated the view of the five successor States that the contributions assessed to the former Yugoslavia should be written off. The text of this letter is attached in appendix III.

## VI. Conclusions

**23. As the arrears of assessed contributions of the former Yugoslavia are not collectible from that State, the General Assembly will need to decide what action should be taken.**

**24. In this connection, and consistent with the position of the five successor States as set out in the letters contained in appendices II and III, the Assembly may wish to approve the write-off of the amounts in question.**

**25. Alternatively, the General Assembly might decide to seek payment from the five successor States of all or part of these arrears.**

**26. Should it do so, it would also need to decide:**

**(a) Whether the United Nations should only seek payment from the five successor States of arrears arising before the dissolution of the Socialist Federal Republic of Yugoslavia; or**

**(b) Whether it should also seek payment from the Federal Republic of Yugoslavia of arrears arising after the dissolution of the Socialist Federal Republic of Yugoslavia based on the principle of estoppel, as outlined above.**

**27. Should the General Assembly decide that the United Nations should seek payment only of arrears arising before the dissolution of the Socialist Federal Republic of Yugoslavia, rather than the full amount of the arrears, it would also need to decide on the action to be taken with regard to the balance of the arrears of the former Yugoslavia, presumably to write it off.**

**28. If the General Assembly decided to seek payment of all or part of the arrears of the former Yugoslavia arising before the dissolution of the Socialist**

**Federal Republic of Yugoslavia, it might call on the five successor States to negotiate an agreement between each other on which of them is to meet the debts arising, and in what amounts. If such an agreement were reached between the five successor States, it would be necessary for the General Assembly to decide to accept its terms before it became binding upon the Organization.**

**29. If the General Assembly decided to seek payment of all or part of the arrears of the former Yugoslavia arising before the dissolution of the Socialist Federal Republic of Yugoslavia and the successor States did not reach agreement within a reasonable period on their respective responsibilities in that regard, the United Nations might claim payment from each of them of an amount that it considered constituted an equitable portion of those arrears. If it decided to seek payment of all or part of the arrears of the former Yugoslavia arising before the dissolution of the Socialist Federal Republic of Yugoslavia, the General Assembly might also wish to decide when it would consider claiming payment in this manner.**

**30. If the General Assembly did decide to consider claiming payment from the five successor States and required related information from the Secretariat, the Secretariat would need guidance on the dates of their succession to the Socialist Federal Republic of Yugoslavia and on the relative shares that should be applied for the five States.**

*Notes*

[1] These dates are to be distinguished from the dates on which the successor States were admitted to membership in the United Nations. Those latter dates are necessarily subsequent to those on which those States each acquired statehood under international law. The dates on which the successor States of the Socialist Federal Republic of Yugoslavia were admitted to membership in the United Nations are as follows:

| | |
|---|---|
| Bosnia and Herzegovina | 22 May 1992 |
| Croatia | 22 May 1992 |
| Slovenia | 22 May 1992 |
| The former Yugoslav Republic of Macedonia | 8 April 1993 |
| Federal Republic of Yugoslavia | 1 November 2000 |

[2] See *Official Records of the General Assembly, Forty-seventh Session, Supplement No. 11* (A/47/11) and ibid., *Forty-eighth Session, Supplement No. 11* (A/48/11). See also decision 47/456 and resolution 48/223A.

## Appendix I

### Outstanding contributions of the former Yugoslavia at 31 October 2000 (adjusted for credits in 2001)

**(United States dollars)**

| | |
|---|---|
| **Regular budget** | 11 235 656.00 |
| **Peacekeeping operations** | |
| ONUC | 333 269.00 |
| UNEF (1956) | 7 598.00 |
| UNDOF/UNEF (1973) | 97 577.00 |
| UNIFIL | 495 968.50 |
| UNIIMOG | 5 672.50 |
| UNAVEM/MONUA | 278 286.00 |
| UNTAG | – |
| UNIKOM | 123 107.00 |
| MINURSO | 164 455.00 |
| ONUSAL/ONUCA | 125 622.00 |
| UNTAC/UNAMIC | 689 251.00 |
| UNPROFOR | 1 260 860.00 |
| UNOSOM | 474 815.00 |
| ONUMOZ | 149 030.00 |
| UNFICYP | 27 998.00 |
| UNOMIG | 16 807.00 |
| UNMIH | 67 541.00 |
| UNOMIL | 23 488.00 |
| UNAMIR/UNOMUR | 122 210.00 |
| UNMLT | 143.00 |
| UNMOT | 7 384.00 |
| UNMIBH | 83 773.00 |
| UNTAES/CPSG | 90 247.00 |
| UNPREDEP | 24 751.00 |
| UNSMIH/UNTMIH/MIPONUH | 17 563.00 |
| MINUGUA | 741.00 |
| MINURCA | 10 187.00 |
| UNOMSIL/UNAMSIL | 29 490.00 |
| UNMIK | 32 080.00 |
| UNAMET | 1 938.00 |
| UNTAET | 25 876.00 |
| MONUC | 10 222.00 |
| **Peacekeeping, total** | **4 797 950.00** |
| **International Tribunals** | |
| Former Yugoslavia | 110 092.00 |
| Rwanda | 74 857.00 |
| **Tribunals, total** | **184 949.00** |
| **Total** | **16 218 555.00** |

## Appendix II

### Letter dated 7 September 2001 from the Permanent Representatives of Bosnia and Herzegovina, Croatia, Slovenia, the former Yugoslav Republic of Macedonia and Yugoslavia, addressed to the Under-Secretary-General for Management

Upon instructions from our Governments, we are answering your letter of 27 July 2001 and conveying to you our joint position concerning the outstanding assessed contributions of the former Socialist Federal Republic of Yugoslavia. As confirmed by relevant Security Council and General Assembly resolutions, the State known as the Socialist Federal Republic of Yugoslavia has ceased to exist and has been succeeded by five equal successor States, which have been admitted as new States Members of the United Nations. Since their admission to the United Nations, the new States have been assessed for the contributions and have duly paid them. In the past, some successor States already indicated in their official statements that there is no basis for the assessment of a contribution for a State, which has ceased to exist. Therefore, all five successor States, which are States Members of the United Nations and pay their assessed contributions, believe that these arrears should be written off.

(*Signed*) Husein **Živalj**
Permanent Representative of Bosnia and Herzegovina to the United Nations

(*Signed*) Ivan **Šimonović**
Permanent Representative of the Republic of Croatia to the United Nations

(*Signed*) Srgjan **Kerim**
Permanent Representative of the Republic of Macedonia to the United Nations

(*Signed*) Ernest **Petrič**
Permanent Representative of the Republic of Slovenia to the United Nations

(*Signed*) Dejan **Šahović**
Permanent Representative of Federal Republic of Yugoslavia to the United Nations

## Appendix III

### Letter dated 19 November 2001 from the Permanent Representatives of Bosnia and Herzegovina, Croatia, Slovenia, the former Yugoslav Republic of Macedonia and Yugoslavia, addressed to the Under-Secretary-General for Management

Following our letter of 7 September 2001 and upon instructions from our Governments, we would like once again to convey to you our joint position regarding the outstanding assessed contributions of the former Socialist Federal Republic of Yugoslavia.

The State known as Socialist Federal Republic of Yugoslavia has ceased to exist and was succeeded by five equal successor States, none of which continued its legal personality. This fact was confirmed by relevant Security Council and General Assembly resolutions of 1992. Although a dissolved State, which evidently no longer existed, should have ceased to be a member of the United Nations ipso facto, Socialist Federal Republic of Yugoslavia continued to be assessed for the contributions.

The dissolution of the former Socialist Federal Republic of Yugoslavia was a continuing process. The exact date when the successor States became independent is different for each of them and no precise date of the dissolution can be determined.

This situation should have been appropriately reflected in the decisions of the United Nations, including those regarding the assessment of contributions. All five successor States were admitted as new Member States to the United Nations and have since paid their assessed contributions.

The dissolution of the former Socialist Federal Republic of Yugoslavia was unique and indeed no identical precedent existed before. All the previous cases (for example the break-up of the former Union of Soviet Socialist Republics or Czechoslovakia) were different and so the legal consequences were different and it is quite unlikely the same situation could occur again. However, if a similar situation occurs, the United Nations should find a way to address it in an appropriate manner.

Keeping the Socialist Federal Republic of Yugoslavia, the dissolved State, on the list of the scale of assessments was a misleading approach, which should bear no legal consequences on other Member States. Therefore, all five successor States, after having carefully considered the suggestions presented in your letter of 27 July 2001, wish to reiterate their joint position that the contributions assessed to the former Socialist Federal Republic of Yugoslavia should be written off.

(*Signed*) Mirza **Kusljugić**
Permanent Representative of Bosnia and Herzegovina to the United Nations

(*Signed*) Ivan **Šimonović**
Permanent Representative of the Republic of Croatia to the United Nations

(*Signed*) Srgjan **Kerim**
Permanent Representative of the Republic of Macedonia to the United Nations

(*Signed*) Ernest **Petrič**
Permanent Representative of the Republic of Slovenia to the United Nations

(*Signed*) Dejan **Šahović**
Permanent Representative of Federal Republic of Yugoslavia to the United Nations